

WASHINGTON STATE DEPARTMENT OF REVENUE



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Wood stove retailer pleads guilty to sales tax theft, violating clean air laws

SEATTLE, Wash., Nov. 21, 2001 — The former owner of Stove Country, one of the area's largest wood stove retail outlets, pled guilty Tuesday to 23 counts involving theft of sales tax revenue, filing false tax returns and violating Washington's clean air laws by selling uncertified wood stoves.

Richard A. McFadden entered the plea before Judge Richard Ishikawa in King County Superior Court. Ishikawa set April 12 for sentencing. The plea agreement calls for McFadden to make more than \$200,000 in restitution by the sentencing date. In exchange, the prosecutor will recommend a prison sentence of 33 months, 20 months shorter than what otherwise would have been recommended.

In July, the King County Prosecutor's Office, in cooperation with the Washington State Attorney General's Office, charged McFadden, 57, with theft of retail sales tax by filing false and fraudulent state tax returns with the Department of Revenue. According to charging papers, McFadden reported less than one third of his approximately \$1 million per year in sales from January 1996 through August 2000, thereby evading the payment of \$266,474 in retail sales tax that he had collected from customers.

An undercover investigation by the Department of Ecology revealed that McFadden sold customers uncertified wood stoves that he took in on trade, and failed to collect solid fuel burning device fees. It is illegal for anyone to sell an uncertified wood stove that can generate up to nine times more pollution than EPA-certified stoves, which are easily identifiable by the EPA label on the back of the device.

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